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22 June 1979

Dear Tim

TUC ECONOMIC COMMITTEE

I enclose briefing as requested in your letter of 19 June.

Copies go to Martin Hall and Martin Vile.

Yours sincerely  
Ian Fair

I A W FAIR  
Private Secretary

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Prime Minister's Meeting with TUC on Monday 25 June

Covering Note

1. The meeting is with the Economic Committee of the TUC. Its purpose is to discuss economic policy. Industrial relations and employment issues are the responsibility of the TUC's Employment Policy Committee. The Secretary of State for Employment has begun informal consultations with Mr Murray and the Chairman of the Employment Policy Committee (Mr Urwin) about the Government's proposals for legislation on picketing, the closed shop etc. These issues are, therefore, unlikely to be raised at the Prime Minister's meeting.

2. Attached is background briefing on

- (1) the Government's legislative proposals
- (2) current industrial disputes

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Prime Minister's Meeting with TUC on Monday 25 June

Background Brief on Industrial Relations Legislation

1. In the debate on the Queen's Speech (15 May Hansard Col. 83) the Prime Minister announced the Government's intention to bring forward legislative proposals before Christmas 1979

(i) to limit the right to picket to those in dispute picketing at their own place of work;

(ii) to amend the law on the closed shop so that those arbitrarily excluded or expelled from a union have a right to appeal to a court of law, existing employees and those with personal convictions against joining any union are protected and those who lose their job as a result of a closed shop agreement are entitled to compensation;

(iii) to provide public funds for postal ballots for union elections and other important decisions.

2. The Secretary of State for Employment has begun informal consultations with TUC leaders (and the CBI) on these issues. The next meeting with the TUC is to be held on Wednesday 27 June. Working papers setting out details of the Government's proposals as a basis for consultation are in preparation. These will be sent to the TUC, CBI and other organisations to be consulted but it is not intended to publish formal consultative document. The consultative period is expected to continue ~~into~~ September.

3. In addition to the proposals listed <sup>in</sup> para 1 the Government are committed to reviewing

(i) the provisions of the Employment Protection Acts, particularly in the light of the burden they impose on employers

(ii) the law on immunities with a view to possible amendments in the law to limit secondary action of all kinds (ie not only picketing).

4. On (i) the Secretary of State for Employment has already written to the TUC (and CBI) to say that he proposes to increase the qualifying period of service for complaints of unfair dismissal from 26 to 52 weeks (and possibly from 26 to 104 weeks in the case of young people under 18) and to reduce from 60 to 30 days the period of consultation and notification required for redundancies of fewer than 100 people. It is proposed to make both these changes by order before the summer adjournment. Comments have been asked for by the end of June.

5. Other issues under (i) on which the Secretary of State will be consulting the TUC in the coming months include

(a) recognition: the TUC will be asked for their views on the future of these provisions without commitment on the Government's side. The TUC is thought to be divided on this issue. Some unions favour repeal; others would oppose it strongly.

(b) terms of reference of ACAS: some modification of that part of the terms of reference relating to the "extension of collective bargaining" is desirable to remove fears that this imports bias into the work of ACAS. This is a sensitive issue for the TUC.

(c) Schedule 11 of the Employment Protection Act 1975: the Government is intending to consult the TUC on the basis of its intention to review the operation of Schedule 11 and the Fair Wages Resolution with the aim of restricting their application to claims based on terms and conditions established by national agreements.

6. On (ii) (review of immunities) the Government are not likely to be in a position to consult before the autumn. There is an important case (*Express Newspapers v. McShane*) pending in the House of Lords: judgement is not expected until towards the end of the year but it could materially affect the need for a change in the law.

#### Form of Legislation

6. It is possible that all these changes in the law will be covered by a single bill rather than (as originally envisaged) 2 separate bills covering the topics listed in (respectively) paras 1 and 4.

BRIEFING FOR PRIME MINISTER'S MEETING WITH TUC

MAJOR DISPUTES

BACKGROUND NOTES

London Transport Executive

Following joint talks held by ACAS, on 15 June the NUR called off the strike by its 15,000 London Underground members due to take place on 18 June. The NUR, together with the two other unions involved ASLEF and TSSA, have agreed to refer their pay claim to arbitration. The ad hoc arbitration panel set up by ACAS and chaired by Mr Ian Buchanan took evidence on 17 and 19 June and will produce an award today. Neither LTE nor the unions have agreed to bound by the award. The NUR executive will consider it tomorrow.

Grosvenor House Hotel - London

29 chambermaids were dismissed and given money in lieu of their live-in accommodation on 1 June for holding a meeting during working hours in support of their shop steward who had been sacked for refusing to work on another floor. They picketed the Trust House Forte-owned hotel and their picket line was made official by their union (UFTAT). 100 other members of the union at the hotel - chefs, porters, electricians etc - were called out on strike on 6 June in support of the unions demand for reinstatement of the chambermaids and about 100 members of other unions, who are employed by the hotel, decided not to cross the picket lines from 7 June. In addition, some 80 UCATT members employed an erecting stands for the hotel's annual antiques fair (a £40-million event due to be opened by the Duke of Edinburgh on 13 June) refused to cross the picket lines and the fair has now been cancelled. ACAS is in touch with the parties.

Post Office

About 450 clerical and computer staff, members of the CPSA, in the telecommunications sector of the Post Office, have been taking industrial

action since 2 April. 10,000 London based members of the CPSA staged a one day strike on 1 June in support of 200 employees who have been suspended for refusing to carry out duties of those on strike. The dispute concerns a pay claim for the 37,000 CPSA members and 6,000 SPCS members (supervisors) in telecommunications. Negotiations are continuing.

Members of the Post Office Management Association staged a one day strike on 14 June in support of their pay claim. The Post Office Engineering Union (120,000 members) is reported to be considering taking industrial action unless their pay claim is resolved in the next fortnight.

#### Engineering Industry

Industrial action in the engineering industry over the terms of the National Engineering Agreement has become more likely following a decision on 12 June by the AUEW national committee. Negotiators have been instructed to continue to press the Engineering Employers Federation for the full claim - £80 per week for craftsmen. Failing this, the national executive is instructed to, in consultation with other members of the Confederation of Shipbuilding and Engineering Unions, call a national overtime ban and a series of one day strikes. The national delegate conference of the engineering section of the TGWU (the second largest union in CSEU) decided on 19 June to support the AUEW line. The CSEU delegate conference will decide whether to take action when it meets next week.

#### British Steel Corporation - Hunterston

BSC's new £100 million iron ore terminal on the Clyde - it has the biggest deep water jetty in Europe - was formally opened on 5 June but remains inactive. It should have been operational a month earlier but a demarcation dispute has kept it closed. BSC says it has an agreement that the 100 jobs at the terminal should be carried out by steelworker members of the Iron and Steel Trades Confederation but TGWU maintains that all the jobs should go to registered dockers. Following ACAS discussions, TUC are attempting to find a solution to the dispute.

### Nottingham Evening Post

The 28 journalists sacked for taking part in the official NUJ strike earlier this year have been refused reinstatement. The Post is continuing to appear with the help of the 22 NUJ members who carried on working during the strike, 10 IOJ members and 31 non-union staff. ACAS has discussed the situation with the NUJ and has offered its services to the employer. Press Association NUJ members recently blacked a story contributed by a Post reporter concerning the rejection of an unfair dismissal that-case claim by one of the 28. A further mass rally by print workers and journalists took place in Nottingham on 16 June. Partly in support of the journalists but mainly in support of their own recognition dispute, NGA and SLADE are blacking work for T Bailey Forman (TBF), the owners of the Post. For a while the two unions were engaged in a 'secondary boycott' campaign against the company but 12 national and provincial newspaper groups and a number of advertisers obtained an injunction ordering the unions to stop blacking advertisements in other papers by companies who continued to advertise in TBF publications. Meanwhile, ACAS is unable, in the face of management's attitude, to make much headway on NGA's recognition reference under Section 11 of the Employment Protection Act.

### Times Newspapers Ltd

In the absence of full agreement on continuity of production, efficient manning levels, general wage restructuring and the introduction of new technology, publication of the Times, Sunday Times and the 3 Supplements was suspended from 30 November 1978. Some 3,100 employees who had not reached agreements by that date were dismissed in stages between January and mid-March; about 1,200 management staff, maintenance workers and journalists who had signed agreements were and still are retained. ACAS the TUC are among those who have tried to help in bringing about a settlement of the dispute. At talks in March chaired by the then Secretary of State



for Employment, agreement was reached on a formula for renewed negotiations with a view to resumption of publication by 17 April and all dismissed employees were temporarily re-engaged. Talks broke down, however, on 12 April and those temporarily re-employed were again dismissed. Times Newspapers produced several thousand copies of a special overseas edition of the Times in Germany but there was opposition from the West German print union and threats of violence and the venture has not so far been repeated. There were reports recently of fresh bids from abroad for printing an international edition but management has said that plans for such an edition have been dropped. Meanwhile resumed talks between management and NGA on new technology have again broken down but NGA has continued discussions with NUJ on the subject. The TUC was reported to be planning a fresh initiative but we understand this has now petered out. The chairman and senior executives of the TNL met the Fathers of the Chapels of the Unions, at their request, on 11 June. No new initiative is reported. The NUJ has submitted a 61 per cent pay claim for the Times Journalist staff.

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